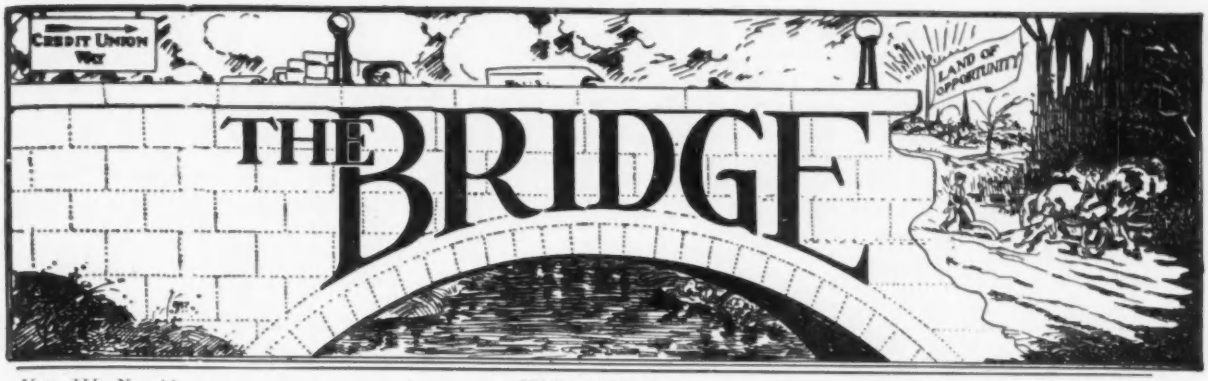


VOL. III, No. 11. THE BRIDGE APRIL, 1927.

A BIG ONE AT HUNTINGTON.

C. & O. Employees Organize a Credit Union.

The third credit union of Chesapeake and Ohio Railway employees was organized at Huntington, West Virginia, on March 17th. Mr. Stratton writes: "In attendance at the meeting yesterday afternoon, which was called for 1:00 P. M., were practically all of the heads of the different branches of the C. & O. Railway Company in Huntington, and the outlook is that they are going over big with their organization. The name of this organization will be the "Huntington Chesapeake and Ohio Railway Employees Credit Union." The meeting was held at the Deegan building and was called by Mr. W. O. King, local chairman of the C. & O. Railway Clerks' Association. The following Directors were elected: E. I. Ford, H. C. Gillespie, C. V. Ratliff, E. M. Green, J. A. Parks, C. S. Loudin, James Spicer, J. W. Hill, W. O. King and A. C. Edsall. The Supervisory Committee, E. L. Bock, E. A. Murray and A. E. Botts; the Credit Committee, H. E. Webb, F. S. Workman and Archie Steiner.

This credit union, to which several thousand of the C. & O. employees are eligible, is more evidence of the splendid work Mr. Charles A. Stratton is doing to promote credit union development in West Virginia.

C. & O. RAILWAY EMPLOYEES CREDIT UNION OF CHARLESTON, WEST VIRGINIA, ORGANIZED.

A letter from Mr. Stratton, the very active representative of the Bureau at Charleston, West Virginia, dated March 11th, contains the story of the organization of the second credit union of Chesapeake & Ohio Railway employees, this time at Charleston, West Virginia. The meeting was held on March 10th and resulted in the election of the following officers: Board of Directors, A. L. Settle, C. B. Oakes, T. O. Bailes, A. L. Settle, Jr., and E. L. Stone; Credit Committee, B. F. Sparkes, C. C. Drennen, E.

(Continued on page 2.)

CALIFORNIA CREDIT UNION LAW ENACTED
LONG CAMPAIGN TERMINATES SUCCESSFULLY

Five years and eighteen days after Leo H. Shapiro, Esq., of San Francisco wrote to the Credit Union National Extension Bureau (on March 13th, 1922) asking us to "kindly send me all the data you have concerning the organization of Credit Union Banks,

LEO H. SHAPIRO,
Directing Credit Union Movement in California.

as I believe there is a good field in California for the organization of such a Bank," Mr. Shapiro wired us that the Governor of California had signed the credit union bill enacted by the 1927 Legislature.

The opening paragraph of this story tells us why it will be possible to organize credit unions in California in the near future. To get at the original letter we had to open the "tomb," an enclosed space in the corner of the office where we keep in a collection of boxes the correspondence of the early days of the Bureau, for which there is no longer room in our crowded files. And as we hunted, we were glad we hunted. Sometimes, in the rush of the immediate present, we are prone to forget much that was worth remembering in the more or less immediate past. The Credit Union National Extension Bureau was born in 1921 and will die officially March 1, 1930; it is there-

(Continued on Page 8.)

EMPLOYEES OF THE ATLANTIC COAST LINE RAILROAD ORGANIZE.

A letter from Miss H. M. Berry, who has in charge credit union development and supervision in North Carolina, contains the information that she recently organized a credit union (savings and loan association) among the employees of the Atlantic Coast Line Railroad at Rocky Mount, North Carolina. This group is making a most auspicious beginning. Mr. D. M. Pearsall, Superintendent of Motive Power, is particularly interested.

AT DUBUQUE, IOWA.

Postal Employees Organize.

Postal credit union number 73 was organized on April 8 by William J. Scarborough, Esq., among the employees of the Dubuque, Iowa, Post Office. This credit union will be known as the Dubuque Federal Employees Credit Union and will include all postal and other federal employees in Dubuque. The certificate of organization was signed by H. G. Howes, A. G. Begley, M. S. Buehler, Mike Yambura, William F. Ahrendt, M. P. Sullivan, Roy W. Bradley and George V. Stiermann.

Mr. Scarborough also reports that the Sioux City Credit Union has received its Certificate.

Missouri Makes Twenty-Six!

We are informed by James A. Potter, Esq., of the firm of Otto & Potter of Jefferson City, who represented us so ably in the Missouri campaign, that the Missouri bill has been enacted and signed by the Governor. It becomes effective about July 9th. Full particulars of the Missouri campaign in the May BRIDGE.

IMPORTANT MEETING OF THE INDIANA LEAGUE

An important meeting of the Indiana Credit Union League was held on February 14th. Much important business was transacted. We take particular pleasure in printing herewith extracts from the very able report rendered by Mr. C. Leroy Austin, the new President of the League.

"This first meeting of the 1927 Board of Directors and Committee appointees of the Indiana Credit Union League is for the purpose of outlining a program of activity for the ensuing year. Up to this time the League has accomplished much toward establishing its value as an important link in Credit Union organization by providing contacts for representatives of Credit Unions for discussion of common interests and problems, and promotion of group actions.

C. Leroy Austin

"What has been started should be carried on with greater enthusiasm and accomplishment.

"Last year the League, under the direction of its Publicity Committee, prepared and sent out to a large list of employers throughout the State what was termed by the Credit Union National Extension Bureau at Boston as the best literature they had seen for the promotion of State-wide interest in Credit Union development.

"Also, last year the League fostered group purchasing of coal through the work of a special committee and a substantial saving was made by members that purchased their coal through their Credit Unions.

"The Indiana Credit Union League fittingly observed the first annual National Credit Union Day on Franklin's birthday, January 17, 1927.

"It is hoped that during 1927 more may be done in furnishing information and assistance to prospective Credit Unions.

"There are now eighteen Credit Unions in the State of Indiana. That number is not enough. In order that Credit Union development in Indiana may keep abreast of the national trend it is necessary that the Indiana Credit Union League, through the voluntary service of its members and friends under the direction of its Board of Directors and committees should pursue a definite plan of making personal contacts with organizations needing Credit Unions.

"To accomplish this the first step is to interest all Credit Unions in the State in Indiana Credit Union League membership. The officers should do this. Then it is necessary that the Secretary compile and maintain a record of information regarding all Credit Unions in Indiana showing the Board of Directors and Officers of each one and, if possible, a copy of the last annual report. If a copy of the annual report is not available, at least the record should show the numbers of members, the number of borrowers, the amount paid in on shares, the amount of loans and the total assets.

"The Secretary should also prepare a list of all prospective Credit Unions showing a brief history of each case and the proper person or persons with whom to make contact.

"The Board of Directors should appoint certain committees to carry on the work outlined above.

"A Publicity Committee of three to prepare more educational information for Credit Union development and secure response from interested prospects. Also to prepare and obtain newspaper and periodical publicity regarding general Credit Union information and specific Credit Union activities and those newly organized. It is suggested that this committee be headed by Mr. Horace E. Ryan, Advertising Manager of L. S. Ayres & Company, and two other members, a representative of one of the local newspapers and a representative of the Chamber of Commerce.

"An Extension Committee of five should be appointed to follow up all present prospects and those that are obtained by the work of the Publicity Committee. It is suggested that this committee be headed by Mr. C. C. Winegardner of the Diamond Chain Company and that the work of the committee be divided according to the type of organization of the prospects, with each member of the committee responsible for his division as follows:

Industrial Prospects—Mr. C. C. Winegardner.
Utility Prospects—Member of Citizens Gas Company Credit Union.
Retail Prospects—Member of The Selig Credit Union.
Community Prospects—Miss Rainey.
Municipal Prospects—Mr. John F. White or representative of city employees.

"There should be a Group Purchase Committee of three to handle the preliminary arrangements for coal purchases. The Chairman of this committee might be Mr. Clifford Symonds of the H. P. Wasson Company Credit Union and a representative from the Indianapolis Post Office Credit Union and the Diamond Chain Company Credit Union.

"There is, therefore, much to be done. With the help of Mr. Leo Kaminsky and Mr. George Rabinoff, who are always ready and willing to give freely of their services, the Indiana Credit Union League should make substantial progress this year.

"It seems that nowadays all movements require a slogan and I suggest for ours—'Tell the World About the Credit Union.'"

Respectfully submitted,
C. LEROY AUSTIN,
President.

RAILWAY CLERKS ORGANIZE AT MEMPHIS.

On April 6 Mr. S. A. Matlock, of the very successful credit union at the Knoxville Post Office, went to Memphis and there assisted Mr. J. W. Cottingham to organize a credit union of Railway Clerks. Mr. Matlock writes that there are more than 700 clerks in Memphis and that an excellent credit union should result. Full details will be contained in the May Bridge. Mr. Matlock reports that visits to the credit unions of postal employees at Memphis and Nashville were made and that both of these groups are making rapid strides. He concludes that he "has some fine prospects in Knoxville." Mr. Bergengren expects to include a conference with Mr. Matlock in his southern trip in May.

MINNESOTA CREDIT UNION LEAGUE DIRECTORS MEET.

The first meeting of the Board of Directors of the Minnesota Credit Union League was held at 5.30 P. M. Monday, April 11, 1927, at the Cafeteria connected with the Montgomery Ward plant at St. Paul. A full account of the meeting containing details not at this writing available will be contained in the May Bridge.

A FINE SPIRIT IN WASHINGTON.

Since Governor Hartley vetoed the Washington credit union bill we have heard from all the folks who did so much to get the bill through the legislature and up to the Governor and we have talked with two of the Washington Committee. It is amazing what a fine spirit prevails among these folks despite the very great disappointment incidental to Governor Hartley's second veto. There is a splendid feeling of confidence that the Governor has simply postponed the issue and that there will be credit unions in Washington in 1929. Hats off again to the Washington Committee!

C. & O. RAILWAY EMPLOYEES ORGANIZE AT CHARLESTON

(Continued from Page 1.)

B. Kelley; Supervisory Committee, W. E. Davenport, Mrs. K. N. Burry, J. L. Martin, J. H. Studebaker and E. F. Barker. The Board of Directors elected the following officers: President, A. L. Settle; Vice-President, E. L. Stone; Secretary, A. L. Settle, Jr.; Treasurer, Charles B. Oakes. Mr. A. L. Settle is the General Agent of the C. & O. at Charleston and was particularly interested and active in the formation of the credit union.

NEWS FROM THE PIONEERS

Miss Frances P. Habern
Massachusetts Editor

LEAGUE DIRECTORS VERY ACTIVE.

Mr. Charles F. Donahoe, past President of the Credit Union League, and a member of the Board of Directors, has attended directors' meetings at the following credit unions:

Kast Credit Union, Boston.
Chaet & Bloom Credit Union, Roxbury.
Workmen's Circle Credit Union, Roxbury.
Notre Dame de Lourdes Credit Union, at Lowell.
St. Anne Credit Union, at New Bedford.

At Worcester Mr. Donahoe had a very interesting meeting with representatives from the Worcester Credit Union, North Credit Union, Skandia Credit Union, New England Credit Union, Progressive Credit Union, Worcester Polish Credit Union, and the Morgan Employees Credit Union.

Mr. Harvey, our President, visited the following credit unions recently: Brockton Credit Union, Friendship Credit Union, Colonial Credit Union, Blue Hill Neighborhood Credit Union, Lynn Credit Union, Colonial Credit Union.

We shall be glad to send a speaker to your credit union if you care to have us do so.

ORGANIZATION MEETINGS.

The writer with Mr. Campana, one of our directors well versed in credit union matters, attended the organization meeting of the American Chapels Credit Union (among the employees of the *Boston American*) on April 13th.

On April 14th the writer took a trip to Beachmont to help organize the Sales House Credit Union, which is composed of the members of the Beachmont Catholic Club and their families.

A Little Bit of History.

I sometimes wonder if credit unionists, particularly some of the members of credit unions of relatively recent origin, know much about their own history. The credit union has a very honorable place in the history of banking in Massachusetts and this is the first of a series of four articles, tracing something of the development of credit unions in this Commonwealth. The first official mention of the subject in Massachusetts is contained in a part of the Bank Commissioner's Report for 1908. Pierre Jay, who subsequently became Chairman of the Board of Directors of the Federal Reserve Bank of New York was then Bank Commissioner of Massachusetts. Writing under the caption "Unauthorized Banking" in his 1908 Report, he said, referring to various "voluntary associations or agencies both for the stimulation of thrift and for the loaning of money to those who need to borrow" that they raise the question "whether it would not be wise to provide by law for some form of organization through which persons might associate themselves for these purposes after the manner of the *credit unions*" (the first official use of that word in the United States) "and people's banks of the European countries, India and Canada. These institutions have for their object the accumulation of savings among and the extension of credit to their members." He sets forth the following as fundamental credit union principles: (1) Only honest and industrious persons are admitted to membership; (2) Loans may be made to members only; (3) a borrower may offer either property or the endorsement of one or more members as security for his loan; (4) no loan shall be made unless the credit committee approves the object of the loan.

(Continued in the May Bridge)

Helen G. Logue.

OUR "NEW" ASSISTANT

The smiling young lady depicted above is the person you most likely talk to when you call the League Office. Miss Logue has been with us six months now and is beginning to feel that she grew up with us.

Our Retiring Director.

Mr. Charles W. Birtwell, one of the Directors of the Credit Union League, and a man who has been associated with the Credit Union movement for seven years or more, has been compelled, because of other interests, to sever his connection with the League as a director.

Mr. Birtwell was also Treasurer of the Traders Credit Union.

He carries our best wishes for success in his new field of endeavor and he has our sincere gratitude for his splendid service to Massachusetts credit unions.

DELEGATES' MEETING
APRIL 30, 1927

DON'T FORGET THIS MEETING!

It will be important as well as interesting.
You cannot afford to miss it.

Boston Chamber of Commerce, 13th Floor, 80 Federal Street

Afternoon session begins promptly at three.
No charge for the afternoon session.
Questions of importance to credit unions will be taken up at the afternoon meeting, as well as plans for a central clearing house for credit information.
Banquet at six o'clock.
Good Food—Excellent Entertainment—Music.
Nationally Known Speakers.

AND

Discussion of plans for a central financial institution.
You cannot afford to miss this meeting.

Tickets for Banquet and Evening Meeting: $3.00 a Person

"A COUPLA GOOD RECRUITS."

THE BRIDGE
PUBLISHED MONTHLY BY THE CREDIT UNION NATIONAL EXTENSION BUREAU
EDWARD A. FILENE PRESIDENT
ROY F. BERGENGREN EDITOR
ARTHUR N. FERNALD BUSINESS MANAGER

VOL. III APRIL, 1927 No. 11

ABOUT CALIFORNIA.

I was talking recently with a man who had just come from California, where he had been interested in some legislation pending before the recent session of the California Legislature. He congratulated me that the California credit union bill had been enacted and then he said: "You did a great job in California; I've run into credit union interest in many states but in no state where the interest is so strong and where there will be so many credit unions." I told him that I would like to deserve that tribute but that, as an honest man, I must confess that the Credit Union National Extension Bureau was a private in the California campaign and that Leo H. Shapiro of San Francisco was the Commanding Officer.

In no state has one man carried the burden of a long sustained effort to secure credit union legislation so completely as did Mr. Shapiro in California. He was the original credit unionist in the State. He first got the notion years ago that there should be a California state credit union law. He worked up the 1925 campaign, through all the difficult legislative stages, only to have his efforts in that campaign vetoed by the Governor. Immediately after the veto, he began his 1927 campaign, developing publicity for the bill, enlisting the support of individuals and important organizations of individuals, getting the bill in again, seeing it through all stages of its legislative progress and finally this time having its effort crowned with success by the approval of the Governor.

The Bureau for three years or more has taken orders from Mr. Shapiro in California and if the Bureau deserves any credit it is the credit due a private in the ranks who has had sense enough to recognize efficient leadership and to follow it.

Not only is there now a law in California but there is much interest in credit union organization in the State. There is a sort of credit union law in Oregon about which so little is known in that State that it has not been utilized to any appreciable extent. We have had inquiries lately, however, indicating the probability of Oregon credit unions. The Washington bill will doubtless be enacted over Governor Hartley's veto as soon as the legislature comes in in 1929, particularly if the California development has indicated in typical fashon the value of credit union operation. As this is being written important and valuable amendments to the Nebraska law are pending in the Nebraska Senate after passing the House. In the event this law is perfected, it will be utilized. With credit unions developing in orderly fashion in Iowa and Minnesota and a law recently enacted in Missouri, the importance of rapid credit union organization in California, Oregon and Nebraska becomes self-evident.

This year, for example, interest in credit union legislation developed in both Arizona and Wyoming but too late to be translated into laws. We should be ready by 1929 to demonstrate credit unions from the Atlantic to the Pacific—literally from "Maine to California."

The California law has but one defect: it will be relatively expensive in the beginning to organize a California credit union, which fact will retard the initial development. A few typical credit unions in successful operation in the State between now and the 1929 legislative session should simplify the matter of perfecting amendments which will bring the law more easily within the reach of those who will be most apt to make use of it.

WHERE THE CREDIT UNION SAVED ME FOUR HUNDRED DOLLARS!

By W. H. Grandmont.

This is the third of a series of six stories, submitted in a recent Thrift Story Contest open to employees of the New England Telephone & Telegraph Company. The story is selected as it shows how the Credit Union may help a member with a second mortgage.

On August 28, 1925, at 10:00 A. M., the holder of a $3,300 second mortgage on my home called me up on the telephone and informed me that he was very much in need of ready cash to conduct his business and wished to dispose of the mortgage, but before taking any action he desired to give me the preference to take it up and offered me a $400 discount on condition that I raise the money before 12 o'clock.

W. H. Grandmont.

My first step was to go to the Bank which held the first mortgage with the intention of raising this first mortgage, but I was given a rather cold shoulder. Failing in this, I inquired if I could get money on my A. T. & T. Co. Stock. I was told that the best the Bank could do was 80% of the par value, which, after a little figuring, convinced me that I was far from my goal. Feeling rather discouraged, I turned around to walk out and, as I did, I came face to face with my second mortgage man, who was evidently keeping close tabs on me. It was then 11:15 A. M. and things looked mighty blue. I informed my man of the success I had had and told him I would go home and check my financial standing and would let him know one way or another before 12 o'clock. I can assure you that on my way home I made that little old brain of mine work pretty fast and when I arrived the temperature under my lid was close to century mark. After cooling off a bit I pulled out the family strong box and started to figure, when, like a flash, the "Credit Union" came to my mind. Like a flash I jumped for the telephone and reached the President of our Credit Union.

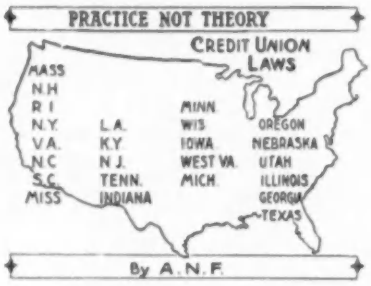
Briefly and clearly I outlined my case to him, closing by informing him that I had 27 shares of A. T. & T. Company Stock and needed $2,900 to clean up $400 and asked what was the best the Bank could do. Just at this moment the door bell rang and my second mortgage man was ushered in the adjoining room and I made up my mind that he was red hot after me and was not to let go. His appearance somewhat delayed my telephone conversation with the President, as I had to pause to say "How do you do" to my guest. This being done, I returned to the 'phone.

"How soon do you need this money?" said the President. "At once, if not sooner," I replied. "I'll have a check ready for you at the Credit Union Bank at 1:00 P. M. sharp. Will that be all right?" I turned around and informed my man, who said it was perfectly satisfactory. "O. K.," I replied to the President, who hung up, and as I hung up I looked at my watch and it was just two minutes to 12. At 1:00 P. M. I found my check ready at the Credit Union office and at 1:30 P. M. the deal had been put through satisfactorily and I was back at my desk, pushing the pencil, thanks to the Credit Union.

A VALUABLE DISCUSSION OF CO-OPERATIVE CREDIT.

The *Central-Blatt and Social Justice*, official publication of the Catholic Central Verein of America and the Central Bureau, contains, in the December, 1926, and the January, 1927, issues, very valuable discussions of co-operative credit by Mr. Aug. F. Brockland of the Catholic Union of Missouri, who did so much to make credit unions a possibilty in his State. In the December issue are two interesting articles—"Developments in the Consumer's Co-operative Movement in Our Country" and "A New Use for the Raiffeisen System." The first article contains a very interesting analysis of the work of the Co-operative League and details of the Minneapolis Convention, and the second has to do with the possible value of the credit union to the negro.

The January issue contains a second article having to do with the development of consumers' co-operation. The discussion of the possible organization of credit unions of negroes is particularly interesting, as several experiments along this line are now in process of perfection. Mr. Brockland refers in his first article to the Mangalore Catholic Co-operative Credit Society discussed in a recent issue of the *Bombay Examiner*. The article concludes: "We know of no reason why a similar institution should not flourish among negroes both urban and rural. The knowledge to be gleaned from the mission reports of the Belgian and German missionaries regarding the introduction of Raiffeisen Banks in various parts of India offers sufficient insight into both the prospects and the difficulties with which credit unions of this sort would doubtless have to contend, especially in the beginning."



THE MOST FREQUENT QUESTIONS.

Question No. 6.

This is the sixth of a series of ten questions and answers covering the ten questions which are most frequently propounded to credit union organizers. Last month we discussed the matter of interest on loans and dividends on shares.

The 6th usual question is this: What does the word "deposit" mean in a credit union?" In most credit union laws a credit union member may make deposits in addition to saving on shares. It must always be remembered that everything in a credit union is based on membership. The money is the accumulated savings of the members; is used exclusively for loans to members; is managed by officers chosen by and from the members in elections in which each member has a single vote, whatever his share holdings, with all profits (except the part set aside annually to the reserve fund) reverting to the members in interest and dividends.

A credit union is a technical co-operative organization of members.

To become a member of a credit union one must first be a member of the group within which the credit union is organized. Next he must subscribe to at least one share and pay for the same in cash or in weekly (sometimes, but rarely, monthly or semi-monthly) installments. The par value of a share is generally $5, payable twenty-five cents a week. If the member would save a dollar a week, for example, he subscribes to four shares and pays in twenty-five cents a week on each share, if two dollars a week—eight shares, etc. On joining he pays an entrance fee, which is sometimes ten cents and never should be over twenty-five cents. The weekly share payment plan takes care of his regular saving and when his original shares are paid for he finds that he has acquired the habit of saving and goes right on paying for more shares. In all states except New Jersey, Nebraska, Illinois and Missouri, the member may also have a deposit account. He may deposit in this account irregular amounts at irregular intervals and this part of the credit union service cares for his intermittent saving. Dividends on shares are figured semi-annually or annually; interest on deposits is figured monthly and added every three months. The interest rate is somewhat lower than the dividend rate and the member is apt to treat his deposit as a sort of "come and go" account and his share account as his more or less permanent savings. At a time when the total share holdings in Massachusetts credit unions was $3,777,918, the total deposits of members aggregated $3,006,461.

This Shows How They Organized the Brasstown Savings and Loan Association.

We have inquiries from time to time as to how we would go about it to organize a rural credit union. There hasn't been as yet any considerable experience with this type of credit union in the United States and we were therefore particularly glad to come across a story of the organization of the Brasstown Savings and Loan Association in a recent issue of *Mountain Life and Work*. This experience is particularly important, having in mind the course in co-operative credit recently initiated by Dr. A. G. Weidler at Berea College, which course is based on the theory that many of the students taking it may have opportunity to organize credit unions in the Mountains as a part of their work after leaving college. This article is by Miss Marguerite Butler of the John C. Campbell Folk School. The article, in part, follows:

THE BRASSTOWN SAVINGS AND LOAN ASSOCIATION.

Marguerite Butler.

"I can hardly keep from singing, I've been so happy all day!"

This remark from the newly appointed Treasurer of the Brasstown Savings and Loan Association (called *credit unions* in all States but North Carolina) shows the spirit of happy and confident adventure with which this group of enterprising farmers have organized their first co-operative undertaking, and augurs well for its success.

The John C. Campbell Folk School had been residents of Brasstown community a month or so when, at Mrs. Campbell's invitation, a group of neighbors came in one evening to hear Miss Angela Melville tell about the co-operative credit unions being so successfully organized and operated by hundreds of groups in factories, shops, post offices, department stores, and communities in twenty-four of the forty-eight States of the Union, and by rural groups in North Carolina since 1915. North Carolina is the only State with an appreciable rural development, but that the law was passed in that State primarily to serve the farmers of the State is shown by the fact that, whereas in all other States the supervision of these co-operative financial organizations rests with the State Banking Department, in North Carolina it is under the State Agricultural Department, Miss Harriet M. Berry of the Division of Markets being State Organizer and Supervisor of these Savings and Loans Associations. In 1925 the name of these associations in the State of North Carolina was changed from "Credit Union" to "Savings and Loan Associations" because of a feeling on the part of some of those interested that the former name did not fully explain the purposes of the organization.

Only as a part of the educational program of the School was this first meeting held, but the interest aroused would not let the matter rest. Much talk went on in the community about this plan of community financing. "A man could borrow then to buy him a cow?" "We could get our fertilizer as a group, in larger quantities and at better prices, through a loan from such an Association, you say?" "This would be helping the community by using the surplus money earned in the community for our own credit needs, wouldn't it?" Keen, rock-bottom comments, showing that the principle of co-operative credit had been grasped in all its significance of self-help.

We were fortunate indeed to have Miss Melville to answer many questions. For two years under the National Credit Union Extension Bureau she had organized both industrial and rural credit unions in many States of our country. She believed in the credit union, and having lived as a member of our community for several months, believed in the success of one here. Not only were every one of us filled with her enthusiasm and interest, but also made to realize the duties, responsibilities and detail of work involved in such an association.

After about a month of this discussion, Mr. Fred O. Scroggs, local merchant and farmer, called a meeting, taking in some forty farmers of the community and their wives—a representative group from a geographical point of view. In spite of very bad weather on the day appointed for the meeting, seventeen citizens attended, and thirteen others sent word of their intention to co-operate and live up to the decisions of the meeting. The interest was so great, and the people so keenly aroused, it was decided to put through the organization of a Brasstown Savings and Loan Association, and an organization committee, with Mr. Fred O. Scroggs as chairman, was appointed to go into all the matters necessary to organization.

(*Continued in May.*)

FOURTEEN POSTAL POSSIBILITIES IN CALIFORNIA.

Mr. Brehm writes that there are fourteen post offices in California with fifty or more employees each. Tentative beginnings have already been made in Fresno and Los Angeles and requests for credit union information have already come in from Long Beach and Pasadena. With 73 credit unions organized, we have 27 to go by July 1st to make the 100 objective fixed as reasonable some months ago. Odds are offered that we'll make it.

OFFICERS OF THE GREAT NORTHERN RAILWAY CLERKS CREDIT UNION.

Reading left to right, back row: H. Bender, P. J. Husting, E. R. Pagel, O. H. Brown and H. E. Amundsen. Front row: J. Joseph Brown, E. V. DeMers, President; A. J. Kustelski; P. J. Karschnia, Treasurer, and H. E. Kernan.

THE LATEST RECRUIT FROM ST. PAUL.

We are very glad indeed to be able, through the courtesy of Mr. P. J. Karschnia, Treasurer of the Great Northern Railway Clerks Credit Union, to introduce to the readers of The Bridge the officers of that organization. This picture was taken on the roof of the Great Northern General Office Building at St. Paul. Mr. Karschnia writes as follows: "We have made a fair start with nearly one hundred approved for membership and with pledged subscriptions to over 250 shares." This credit union participated in the recent meeting of the Directors of the Minnesota Credit Union League. What Mr. Karschnia calls a "fair start" we would call a very extraordinary beginning.

Since we prepared the above paragraphs of this story another most interesting letter has come in from Mr. Karschnia containing additional data as to the excellent beginnings being made by this credit union. He writes: "The employees in the General Offices of the Great Northern Railway, as well as other railroad workers, have long felt the need of an organization of this character, having been more or less at the mercy of loan sharks when confronted with the financial difficulties that the average man and woman of today must face. It naturally followed that members of the Brotherhood of Railway Clerks became further interested when the *Railway Clerk*, the national organ of this order, published articles relative to the Credit Union. A meeting was held February 17th and by-laws were adopted with the advice and assistance of Mr. Doig of the Credit Union League. The by-laws were approved by Mr. A. J. Veigel, Commissioner of Banks, and officers were elected. The initial collection brought in $50.50 from a membership of 31. On April 1st we had a membership of 72 and assets of $202.25. Our membership has risen to 97 since then, with new members coming in every day. Our first loan was to a member who, through prolonged illness, had become involved with two money lenders to the extent of $57. A committee finally convinced these loan sharks that all they were entitled to was $33.05, representing principal and interest at the legal rate. The Credit Committee approved a loan of $40.00 and the member was so tickled at the savings affected that he deposited the difference between the amount the loan shark settled for and the amount of the loan in his share account."

The proof of the credit union is always to be found in the fact that the plan works.

THE KILLAM CREDIT UNION.

The Bureau has been co-operating in an advisory capacity with Mr. George Keen, General Secretary of the Co-operative Union of Canada, in the organization at Killam in the Province of Alberta of a credit union among the members of a co-operative society affiliated with the Co-operative Union of Canada. This community has approximately 400 population and the credit union will function in connection with the co-operative store. This experiment will be watched with great interest. It is interesting that the Bureau has, increasingly, contacts outside the United States. I find in our recent files letters from Geneva, from North Battleford (Saskatchewan), Manila, P. I., Mexico City, London, Jerusalem, Montreal, Budapest, Moscow, Riga, Brantford (Ontario), Berlin and Luxembourg.

GEORGIA CREDIT UNION LEAGUE PERFECTED.

It will be recalled that in the February Bridge was an account of the organization meeting of the Atlanta Association of Credit Unions. On March 30th a meeting was held to perfect organiation, at which meeting the name was changed to the Credit Union League of Georgia and its scope broadened to include all credit unions located in Georgia. The purpose of the League as set forth in the by-laws adopted at the March 30th meeting is: "to promote interest and co-operation between credit unions and members of credit unions, assist in organizing credit unions and promote friendly relations among other credit organizations, such as building and loan associations and industrial loan companies and banks." The Credit Union National Extension Bureau is eligible to membership and has joined. The initial credit union membership includes the AB&A R. R. Credit Union, the Atlanta Postal Credit Union, the Atlanta Public School Teachers Credit Union, the Atlantic Steel Credit Union, the Exposition Cotton Mills Employees Credit Union, the Public Service Credit Union, the Columbus Postal Employees Credit Union and the Macon Federal Employees, Credit Union. The following were elected Directors to serve until the second week of December: T. W. Clift, M. G. Johnston, C. J. Turner, G. L. King, George M. Gentry, with the following officers: George M. Gentry President, G. L. King Vice-President, M. G. Johnson Secretary-Treasurer and J. L. R. Boyd, Esq., Counsel. Mr. Boyd presented the invitation of the Junior Chamber of Commerce to hold the first Convention of the League under the auspices of the Chamber at Atlanta April 14. President Gentry, who manages the very successful credit union of AB&A employees, writes of his expectation that the League will be a great success.

"THE PROOF OF THE PUDDING."

Recently one of our Tennessee correspondents showed me a part of a letter received from the Employment Superintendent of a large store in New Orleans where a credit union has now been operating for some time, the initial credit union of the sort in the South. This man wrote of the credit union as follows: "In our judgment the credit union is one of the best organizations of its kind, for ourselves or for any other institution."

Under the Umbrella

As the result of a visit to Riverside, California, by Mr. Filene recently there is interest in the possible organization of several credit unions at that place. We understand that the California Credit Union Law becomes operative August 1st. The development in that State will doubtless be guided and directed by Leo H. Shapiro, Esq., who was so successful in the matter of getting the law enacted.

The Alabama credit union bill, after a favorable report by the Committee, will come up for consideration when the Legislature reconvenes in June.

The following is clipped from the April, 1927, issue of *The Locomotive Engineers Journal*: "Chicago teachers have decided to have their own co-operative bank. So they have formed the Chicago Teachers Federation Credit Union, which loans money to members at low interest . . . membership is confined to Chicago school teachers."

DETROIT TEACHERS MAKING A GREAT SUCCESS.

The editor of The Bridge was particularly delighted recently to get a report from the Detroit Teachers Credit Union. This is the first report we have received from this group and we were beginning to wonder just how it is getting along. Miss Frieda Eggert, Clerk of the Credit Union, writes that at the last meeting of the Credit Union (March 11) "twenty-two new members were voted in and the Credit Committee reported loan applications totalling $1,250. The statement shows a present membership of forty-nine, total assets of $1,922 and a total business for February of $1,027 against a total business since the Credit Union started doing business in December, 1926, of $1,252, indicating that the credit union is taking hold in good shape. As we have great hopes for an eventual national chain of credit unions of school teachers, which will reach into every city employing fifty teachers or more, these first credit unions of the sort are of very particular interest.

CALIFORNIA CREDIT UNION LAW ENACTED.

(Continued from Page 1.)

fore now well past middle age and what happened in 1922 is way back in its extreme youth.

We found there correspondence in California dating back to the very earliest days of the office, efforts to locate some definite interest in credit unions in California to which might be attached a definite campaign for legislation. Many contacts were established but the real beginning was Mr. Shapiro's letter of March 13th, 1922. His subsequent letter indicated a rapid development of interest on his part and on October 6th, 1922, he wrote of the possibility of having a bill offered in the 1923 legislature. This bill was offered but without the necessary background in local interest and without opportunity to develop proper supporting strength for it. From a tactical standpoint, however, the 1923 bill was of the utmost importance because it was the beginning of the educational process which was necessarily precedent to any successful effort to secure legislation. The first bill was referred to the Building and Loan Committee and died a peaceful and painless death in that Committee. "However," writes Mr. Shapiro on April 24th, 1923, "I have gained a great deal of information so that at the next session we will initiate another bill. I propose to start now to acquaint the people of the State of California with the value of credit union legislation."

Two years passed; during that period Mr. Shapiro, quietly and with dogged persistence, went into the highways and the byways developing strength for his bill. He enlisted many individuals of importance in California in the credit union army and such organizations as the California State Federation of Labor, the State Building Trades, the Industrial Relationship Committee of the Commonwealth Club, the California Investment Bankers Association, the California Hotel Men's Association, the State Organizations of School Teachers and many others endorsed the bill. It would be impossible to overestimate the service Mr. Shapiro rendered during this period in developing sentiment for credit union legislation in California. In January, 1925, Senators J. J. Hollister and E. P. Semple introduced a redrafted credit union bill. The bill passed the Senate and in the House was opposed by the Building and Loan Association League of California. To satisfy this opposition the bill was amended changing jurisdiction to the Corporations Commissioners and was passed and sent to the Governor.

I well recall that campaign and the anxious days when we were all doing all that we could to get the Governor to sign the bill. He vetoed it.

Writing of the veto later on (June 15, 1926), Mr. Shapiro explains it very philosophically and says further: "We again propose to introduce the credit union at the legislature which convenes in January, 1927." You can't beat that spirit in the long run. He writes also: "Credit Union legislation is like all other progresssive measures, which must go through a process of education before it can have a successful culmination . . . we know that eventually credit union legislation will come in California and will be successfully put on the Statute books."

"The Credit Union bill was introduced on January 14th," wrote Mr. Shapiro on January 18, 1927. "It was quite a coincidence that the bill of 1925 was introduced at the same time. Senator J. J. Hollister is handling the bill. I believe that the measure has a splendid chance of enactment." On March 2nd he wrote: "Yesterday the Banking Committee of the Senate recommended the Credit Union bill for passage." From that time on the progress was rapid and Mr. Shapiro wired on March 21st that the bill had been enacted and had gone to the Governor and on March 31st that he had signed it.

During the progress of the campaign members of the National Advisory Council of the Bureau from California, Mr. W. D. Ellis of Berkeley, Mr. Simon J. Lubin of Sacramento and Mr. A. S. Vinzent of San Francisco all helped very materially indeed and much valuable supporting strength developed for the bill as time passed and the subject came to better understood in the State.

The five years of increasing interest will now all work out to the advantage of the state development.

Visitors during the month included Edward A. Norman, Research Secretary of the Co-operative League; Leon Henderson, Director of the Division of Remedial Loans of the Russell Sage Foundation; Senator Ralph Metcalf of Tacoma, Washington; J. William Blaney of Seattle, who co-operated in the Washington campaign; and Dr. Horace F. Clark of the American Savings, Building and Loan Institute.

The Nebraska amendments are making progress. Representative E. P. Wilson's bill has passed the House and has recently been favorably reported in the Senate. It is hoped that this bill will be enacted, as there is appreciable interest in credit union development in the State.